PROJECT OVERSIGHT REPORT

HP 3000 Replacement Project – Office of Insurance Commissioner (OIC)

Report as of Date: October 2004
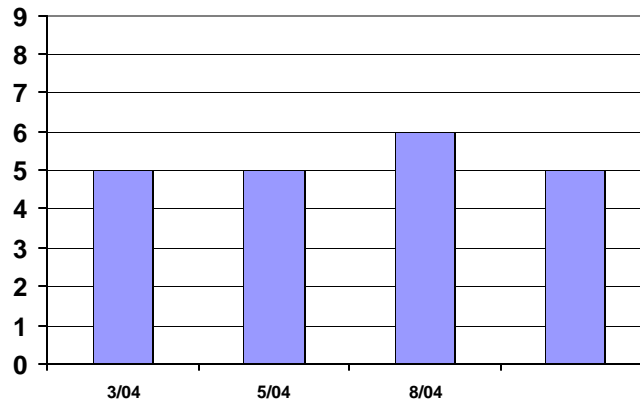
Executive Sponsor: Mike Watson
Project Director: Mike Shea

MOSTD Staff: David Koch

Severity/Risk Rating: Medium (medium severity, medium risk)

Oversight: Level 3 – ISB (Approved as Level 3 by DIS Director)

Overall Project Risk Assessment

Staff Recommendations: There are no recommendations at this time.

Variances:
- Schedule: None.

- Budget/Cost: Additional funds may be added by the agency for External Quality Assurance (Level 3 Oversight). This was an unplanned project expense not identified within the original project spending plan. The agency is evaluating options to redirect existing project funds to cover this expenditure while still remaining within the original project appropriation.

- Scope: None.

- Resources: Since the project was elevated to a Level 3, the agency has dedicated additional resources to the project. The agency has retained External Third-Party Quality Assurance and has dedicated a fulltime Project Analyst to the effort to augment and assist the project team in meeting critical deadlines and deliverables.

Risks/Mitigation:
1. Schedule
   The schedule is aggressive and contains little contingency.

   Mitigation Tasks
   - The agency has recently conducted a risk assessment and has evaluated several implementation options intending to mitigate project risks.
   - Agency project staff have conducted market research to assess at a high-level the capabilities of the vendor community to support a system implementation similar to the needs of OIC's project. Within market place and vendor community, there are sufficient vendor capabilities and solutions available to fulfill the needs of OIC.

- The agency has finalized the implementation strategy and has obtained Executive support.
- The agency has conduced a Request For Proposal (RFP) to retain the services of a qualified vendor capable of performing the Workflow and Requirements Gathering Study (i.e., Phase 1).   In response to the agency's RFP request, the agency received a significant number of high-quality proposals from the vendor community.

2. Budget & Resources

<u>Mitigation Tasks</u>
- OIC has retained additional External Third-Party Quality Assurance support to provide ongoing, independent review of all project related activities, including evaluating project controls, procedures, plans, schedules, compliance with ISB IT Investments Standards, etc.
- OIC has allocated funds for Independent Verification and Validation (IV&V) for this project. The IV&V technical support will be retained in conjunction with the Integration Vendor during the Solution Implementation Phase (i.e., Phase 2).
- The project has agency Executive, External Quality Assurance and ISB Staff oversight support.
- The OIC IT Manager is currently coordinating the project.
- The OIC Project Manager has been hired and is currently managing, in addition to the schedule, the key project constraints (i.e., time, scope and budget).
- The Executive sponsor (Mike Watson) has been actively involved in the project activities. His ongoing support will be critical to the success of this project.

Background Information

Description: The project will allow OIC to replace its Hewlett Packard 3000 system. HP will cease support for HP 3000s as of December 31, 2006. The Director of the Department of Information Services has approved the acquisition of the replacement system and directed that OIC provide an information briefing to the ISB.

The majority of applications and data repositories currently utilized to meet OIC's business objectives and supporting OIC operations run on the HP3000 platform. Hewlett Packard, the manufacturer of the HP3000, recently announced that it would cease support for this platform as of December 31, 2006. Originally developed using the Speedware programming language and a TurboImage database system, the current set of applications and databases serve as the primary information source and automated functionality for OIC business operations.

In addition to supporting the required platform migration, a number of business and technical issues and opportunities can be addressed by assessing the current HP3000/Speedware system's ability to serve OIC in a productive and cost-effective manner in the future and meet the business objectives discussed below. OIC's approach to meet the above objectives is to institute a best-of-breed procurement strategy that will identify and implement package solutions that meet OIC's needs. The technology platform will be Windows NT/2000 (or, depending upon the implementation date, the latest Microsoft server release) suite, which is consistent with OIC technical direction. Much of OIC's current requirements will be met by integrating available COTS (Commercial Off The Shelf Software) products with supporting custom development as required. Package modifications (e.g. building workflow route maps) will have to be performed as well as a limited custom programming to provide functionality not available from package solutions.

Technology: To be determined.

Budget/Costs: Implementation/development costs:

Software Licenses	$475,000
Hardware	$161,000
Contract Services	$2,195,683
OIC Staff	$229,834
Total	$3,061,517
Annual Maintenance	$318,164
5 Year Maintenance	$1,590,820

Total Cost for Life Cycle   **$4,652,337**